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ALASKA ECONOMIC TRENDS

June 1988

A Profile of Older Alaskans

Insights to Anchorage's Recession

Anchorage Consumer Price Index Base Period Converted

Alaska's Employment Scene

ALASKA DEPARTMENT OF LABOR STEVE COWPER, GOVERNOR

Alaska Economic Trends

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Contents

1 A Profile of Older Alaskans

7 Insights to Anchorage's Recession

10 Anchorage Consumer Price Index Base Period Converted

14 Alaska's Employment Scene

16 Nonagricultural Wage and Salary Employment
19 Hours and Earnings for Selected Industries
back cover Labor Force by Region and Census Area

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The following notes pertain to Nonagricultural Wage and Salary Employment Tables:

Government includes teachers in primary and secondary schools, and personnel employed by the University of Alaska.

Benchmark date March 1987.

P/ Denotes preliminary estimates.
R/ Denotes revised estimates.

A Profile of Older Alaskans

By Neal Fried

Alaska's older population more than doubled during the past decade. In 1986 it was 18,332 strong. Today it is one of the fastest growing age groups in the state. It also represents the fastest growing body of senior citizens in the country. The aging of the state's and nation's citizens poses both challenges and opportunities. These challenges and opportunities will continue to grow into the 21st century, as the "baby boom" generation joins the ranks of those over the age of 65.

While Alaskan seniors are a dynamic population, current statistics on this group are scanty at best. A wealth of information exists from the 1980 Census, but much has happened in this state since then. The information in this article relies on current Alaska Department of Labor's population estimates and a variety of other sources. Unless otherwise specified, older Alaskans (or seniors) are defined as residents age 65 and older.

A Small But Fast Growing Group

The number of Alaskan seniors is increasing rapidly, but both numerically and proportionately they still represent the smallest group of seniors in the country. As illustrated in Figure 1, the proportion of seniors in Alaska is only one quarter that of the nation's. Despite the seniors' small population size, it's growth rate

Figure 1
Alaska and U.S. Seniors, 1986

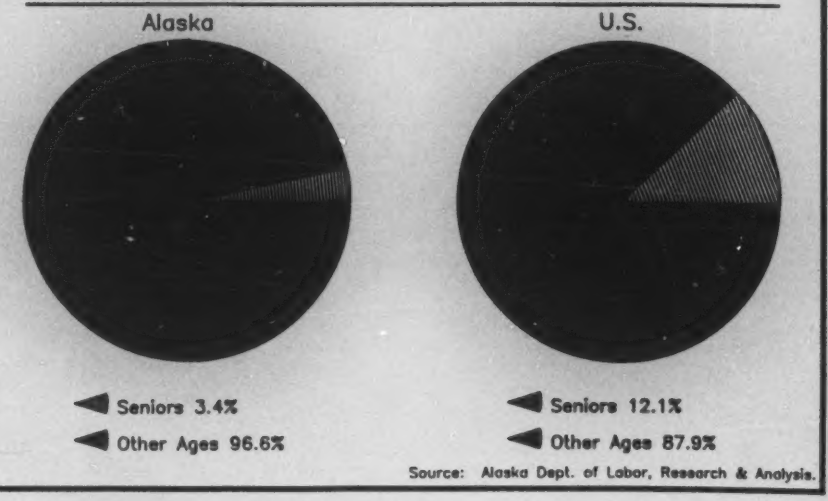
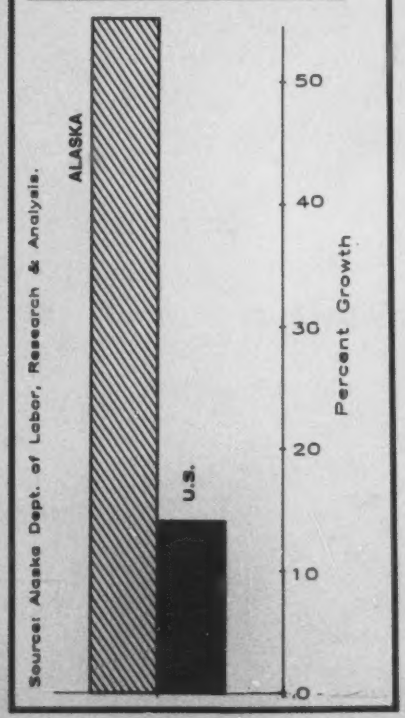


Figure 2
Growth of the Senior Population 1980-1986



is nearly four times the national average (Figure 2). Does this mean that Alaska seniors' slice of the pie will increasingly resemble the nation's? According to Department of Labor estimates, older Alaskans' share of the total population may be as high as 5% by 1990. Slow total population growth and rapid growth in seniors are the reasons.

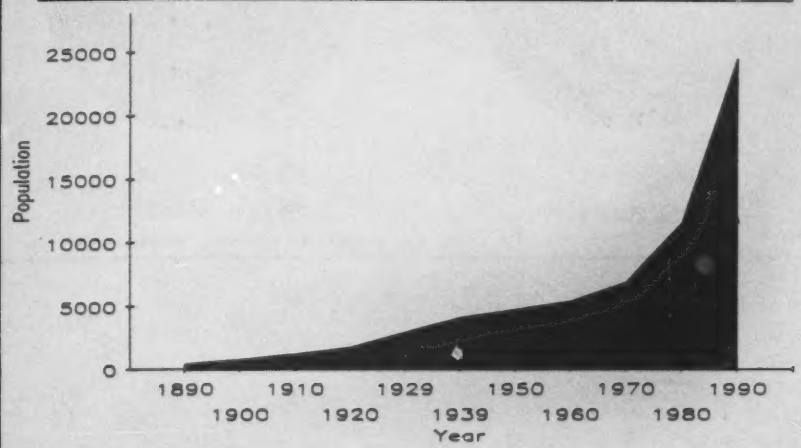
The frontier characteristics of our state help explain our smaller population of older Alaskans. Alaska typically attracts young people of 25-40 years of age. This population in turn has children, which further adds to the youthful characteristics of the population. This bulge in the younger ages means the top of the age pyramid becomes relatively smaller.

Table 1
Alaska's Population By Age

Age	1980[1]	1986[2]	Percent Change
0-4	38,949	59,573	53.0
5-9	35,043	47,500	35.5
10-14	34,282	39,696	15.8
15-19	37,154	38,874	4.6
20-24	45,090	51,938	15.2
25-29	48,645	64,384	32.4
30-34	42,163	63,938	51.6
35-39	31,316	53,552	71.0
40-44	22,706	36,310	59.9
45-49	18,404	25,805	40.2
50-54	15,839	19,258	21.6
55-59	12,617	16,102	27.6
60-64	8,096	12,388	53.0
65-69	5,206	7,788	49.6
70-74	3,106	4,915	58.2
75-79	1,845	3,038	64.7
80-84	771	1,454	88.6
85+	619	1,137	83.7
65+	11,547	18,332	58.8
Total	401,851	547,600	36.3

Source: [1] U.S. Bureau of Census
[2] Alaska Department of Labor,Research and Analysis

Figure 3
1890-1990: A Century of Older Alaskans



Sources: US Dept. of Commerce, Census Bureau; AK Department of Labor, R&A

Another reason for the small senior population is because as Alaska's population ages they begin to leave the state. This does not begin at typical retirement age but actually starts as early as 40-45. According to the census, for every senior citizen who enters the state, more than three leave. Since 1980, there is evidence this net loss may have slowed down.

The frontier character of Alaska also shows up in the ratio of senior men to women (Figure 5). There are proportionately more senior men in Alaska than in the rest of the nation. As late as 1980, there were an equal number of senior men and women. This is not because Alaskan men live longer than their counterparts elsewhere in the country. In fact, they live about one year less. Instead, it is because more men migrate to Alaska than women. As the older population ages, the ratio of women to men increases. This is because women live longer than men: 76.5 years from birth, versus 68.8 for men. By the year 2005 life expectancy will increase to 72.2 years for Alaskan men and 80.1 for women.

A majority of the state's seniors live in urban Alaska, but rural Alaska has proportionately more seniors than urban Alaska. This is because a higher percentage of Alaska Native seniors remain in the state. The Native population also predominantly resides in

The proportion of seniors in Alaska is only one quarter that of the nation's.

rural Alaska. Different migration patterns affect the ethnic mix of the state's elderly population as well. The share of the black and white populations shrink as they age because of out-migration. The share of the Alaskan Native population does the reverse because of the out-migration of the other ethnic groups.

The most interesting fact regarding the geographic distribution of older Alaskans (Table 2) is that communities in Southeast Alaska have the highest concentration of seniors. One reason for this could be that many Southeast communities have existed for a longer period of time and have an established older population. A more moderate climate may also help explain these statistics.

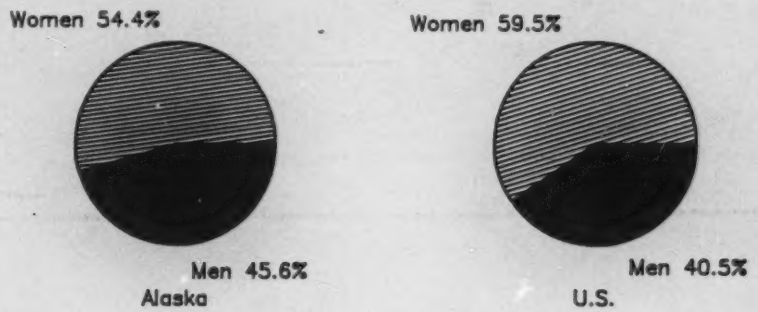
The senior population's growth rate is racing far ahead of the rest of the population. From 1980-1986 it grew 59% compared to 36% overall. Among the elderly there is a great deal of variety and they can't be just all lumped together as one homogenous group. For example, the 65-74 age group grew by 53%. The fastest growing segment is the 80+ age group which grew by 86%. The implications of the rapid growth of this group are many. They are the heaviest users of health care and many other services. A significant percentage live in institutional facilities—though 57% are homeowners. This also means a growing number of seniors will be caring for older relatives, and four generation families may become more common.

Table 2
Senior Population of
Alaska's Boroughs & Census Areas
1986

	Senior Population	Population Total	Percent Seniors
ALASKA	18,332	547,600	3.3
Anchorage Borough	6,145	236,934	2.6
Fairbanks North Star Borough	2,145	73,540	2.9
Kenai Peninsula Borough	1,578	40,414	3.9
Mat-Su Borough	1,374	38,847	3.5
Juneau Borough	1,240	26,422	4.7
Ketchikan Gateway Borough	811	12,436	6.5
Bethel Census Area	589	13,163	4.5
Wrangell/Petersburg Census Area	478	6,789	7.0
Sitka Borough	476	8,102	5.9
Yukon-Koyukuk Census Area	417	9,353	4.5
Valdez-Cordova Census Area	401	8,830	4.5
Kodiak Island Borough	400	13,561	2.9
Nome Census Area	389	7,911	4.9
Northwest Arctic Borough	271	6,010	4.5
Dillingham Census Area	247	5,950	4.2
Wade Hampton Census Area	240	5,715	4.2
Skagway-Yakutat-Angoon Census Area	221	3,784	5.8
Southeast Fairbanks Census Area	219	6,822	3.2
Prince of Wales-Outer Ketchikan C.A.	194	5,023	3.9
North Slope Borough	190	5,520	3.4
Haines Borough	141	1,881	7.5
Aleutian Islands Census Area	131	9,296	1.4
Bristol Bay Borough	35	1,297	2.7

Source: Alaska Department of Labor, Research and Analysis Section.

Figure 4
Alaska and U.S. Seniors, Ratio of Women/Men 1986

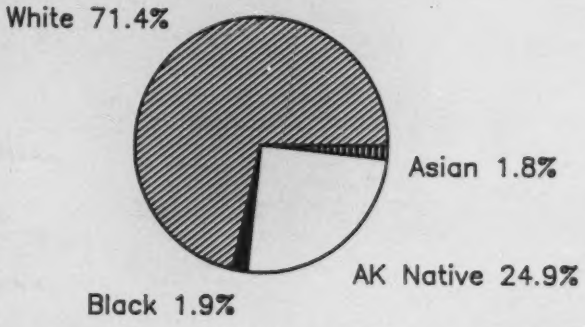


Source: Alaska Department of Labor, Research & Analysis

Figure 5
Where Older Alaskans Live

Source: U.S. Dept. of Commerce, Bureau of the Census, 1980.

Figure 6
Older Alaskans by Race, 1980



Source: U.S. Dept. of Commerce, Bureau of the Census, 1980.

Older Alaskans' share of the total population may be as high as 5% by 1990.

Income And Poverty

There is little current data regarding the income status of Alaskan seniors. A survey of longevity bonus recipients, commissioned by the Older Alaskan Commission provides the most recent income data for seniors. According to the results, an equal number of senior's incomes (18%) were $5,000 and less and $20,000 and more. Half of the seniors had incomes of $9,999 and less. The single largest group fell in the $5,000-9,999 category. Three quarters of Native Alaskans, and Asian and Pacific Islanders had incomes of $9,999 or less. This compares to 42% for whites and 57% for blacks. Incomes of women were significantly less than those of men.

The single most important source of income is Social Security. Eighty-nine percent of Alaskan seniors receive Social Security. Other important sources are savings, retirement benefits, and the Longevity Bonus. The Longevity Bonus is Alaska's unique solution to provide an incentive to older Alaskans to remain in the state. It provides $250 in monthly payments to residents who are 65 years of age or older and are physically present in the state. Presently 17,752 older Alaskans receive the bonus. Despite these various programs, income falls substantially after a person retires. This means more seniors slip into poverty. For example, in 1980, 14.2% of Alaska seniors lived below the poverty level compared to 10.7% for the overall population. However, the 1980 rate was a substantial improvement over 1970, when it was 24.4%. Increases in Social Security benefits, Medicaid, Medicare, the Longevity Bonus, property tax relief, Permanent Fund dividends and other programs helped to improve the average senior's situation.

Table 3
Income Bracket of Older Alaskans by Race, 1984

Income Bracket	White	Percent of Total	Native	Percent of Total	Black	Percent of Total	Asian	Percent of Total	All Races	Percent of Total
Less than $5,000	894	12.8	662	32.3	31	20.3	66	39.8	1,653	17.7
$5,000-$9,999	2,021	28.9	951	46.4	57	37.3	63	38.0	3,092	33.1
$10,000-$14,999	1,519	21.7	278	13.6	31	20.3	18	10.8	1,846	19.7
$15,000-$19,999	998	14.3	91	4.4	18	11.8	7	4.2	1,114	11.9
$20,000 +	1,554	22.2	67	3.3	16	10.5	12	7.2	1,649	17.6
Total	6,986	100.0	2,049	100.0	153	100.0	166	100.0	9,354	100.0

Source: *Research on Aging*, Vol X No. 2, June 1988.

The Labor Force

Labor force statistics are meager for older Alaskans. Recent unemployment rates do not exist for older Alaskans, but we know 427 older Alaskans drew unemployment insurance benefits in 1987. Concentrations of senior unemployment insurance claimants exist in the services and trade industries. The figures also indicate many seniors are still active in the construction and fish processing (manufacturing) industries. The average duration of unemployment for these claimants was 13.8 weeks compared to 17 weeks for all claimants. When the seniors' unemployment rate was last measured in 1980 it was similar to the rest of the population, 9.2% versus 9.7%.

About 3,300-4,000 (or 15-18%) older Alaskans are active in today's labor market. A decreasing share of the state's older citizens remain active in the labor market; in 1970, 28% of Alaska's seniors were active in the labor market versus 20% in 1980. Early retirement, higher Social Security payments and better pension plans have encouraged this trend. For example, beginning in 1986 the State of Alaska allowed some of its workers to take retirement at age 50 because of budget shortfalls. A number of the oil companies also lowered their retirement age limits for similar reasons. How much longer this trend of earlier retirement will continue is difficult to judge. An emerging trend

Table 4
Income Bracket of Older Alaskans by Sex, 1984

Income Bracket	Male	Percent of Total	Female	Percent of Total
Less than $5,000	488	10.7	1,165	24.4
$5,000-$9,999	1,268	27.7	1,824	38.2
$10,000-$14,999	1,026	22.4	820	17.2
$15,000-$19,999	700	15.3	414	8.7
$20,000+	1,095	23.9	554	11.6
Total	4,577	100.0	4,777	100.0

Source: *Research on Aging*, Vol. X No. 2, June, 1988.

Table 5
Senior Alaskan UI Claimants By Industry 1987

Industry	Claims	Percent of Total
Mining	20	4.7
Construction	59	13.8
Manufacturing	48	11.2
Trans. Comm., & Utils.	32	7.5
Trade	66	15.5
F.I.R.E.	14	3.3
Services	126	29.5
Government	58	13.6
Other	4	0.9
Total	427	100.0

Source: Alaska Department of Labor, Research and Analysis.

Employment Advantages to Older Alaskans

* An experienced work force.
* More loyal.
* More reliable, dependable and punctual.
* Patient.
* Willing to work flexible schedules.

Employment Barriers to Older Alaskans

* Lack of appropriate training, education and previous work experience.
* Age discrimination.
* Social security benefits are penalized if a person between the ages of 65-70 earns more than per $8,400 year.
* Perception by employers that older workers are less willing to learn new skills.
* Younger employees do not want to supervise older workers.
* Lack of transportation.
* Health and frailty.
* Many employers want a "youthful" work force image.
* A poor economy.
* A perception by seniors that they are taking employment opportunities away from younger workers.
* A lack of awareness of programs which help seniors find employment.
* Lack of confidence and motivation.
* Reluctance to relocate.
* Working hours not flexible enough.
* Employers don't want to invest many resources in a person that may not be with the company long.

for older workers to delay retirement in preference to part time work could reverse this trend.

The Future Labor Market

Part-time employment is becoming increasingly available in the economy across all occupational categories. Flex time and job sharing remain the exception, but most observers believe they will increase dramatically in the future. An increasingly service oriented economy means physical prowess is less important. The health and educational levels of seniors have been improving year-by-year. All of these trends should bode well for the senior worker who wishes to remain in the work force. However, there are many barriers which the older Alaskan worker faces which discourage their continued participation in the labor force. Dr. Iseli Krauss, a gerontological consultant, identified many of these in her study on "Barriers to Employment of Older Alaskans" (See insert). Positive attributes of older Alaskans in the work place, such as dependability, were also identified.

Another important trend which may have long term implications for older workers is based on the many predictions of future national labor shortages. The number of young workers entering the work force is much smaller today because their parents had fewer children. There is also the concern that many of these youth will not have the necessary skills. Labor shortages are already occurring in some areas of the country. Innovations to attract seniors back into the work force are slowly developing. Japan, plagued by labor shortages for more than 20 years, has encouraged its older workers to remain in the labor force. Subsequently, they have one of the highest older worker participation rates among the industrialized countries. Out of sheer necessity, employers may have to aggressively tap the labor resources of seniors.

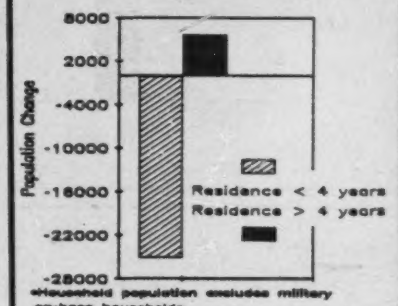
Insights to Anchorage's Recession

By Greg Huff

We have all heard of the recession and many Anchorage residents have experienced it first hand. They have lost jobs, homes, businesses and investments. Many statistics have monitored and recorded the loss of jobs and investments, as well as bankruptcies and foreclosures. These key economic indicators, however, lack geographic and demographic detail. This article examines statistics from the Municipality of Anchorage Department of Economic Development and Planning (DEDP).[1] These statistics yield some interesting insights into the impacts on Anchorage residents and neighborhoods during the severest segment of the recession. One overriding theme is clear from the data—the recession affected neighborhoods and their residents differently.

Between 1985 and 1987 Anchorage's employment declined 12% and population declined 8%. These losses represent 13,400 jobs and 19,150 people. According to DEDP's figures 66% of those persons leaving the city from 1985 to 1987 had lived there less than 4 years (Figure 1). Those in Anchorage less than a year accounted for nearly half of Anchorage's population decline. The net result was a decline of "newcomers" by 25,000. This decline was partially offset, however, by a net increase of 5,600 people who had been in Anchorage for four or more years. During this time, the average length of residence increased from 9.0 to 10.1 years. Nearly nine percent of the population had lived in Anchorage for more than 25 years.

Figure 1
Anchorage Population Change by Length of Residence* 1985-1987

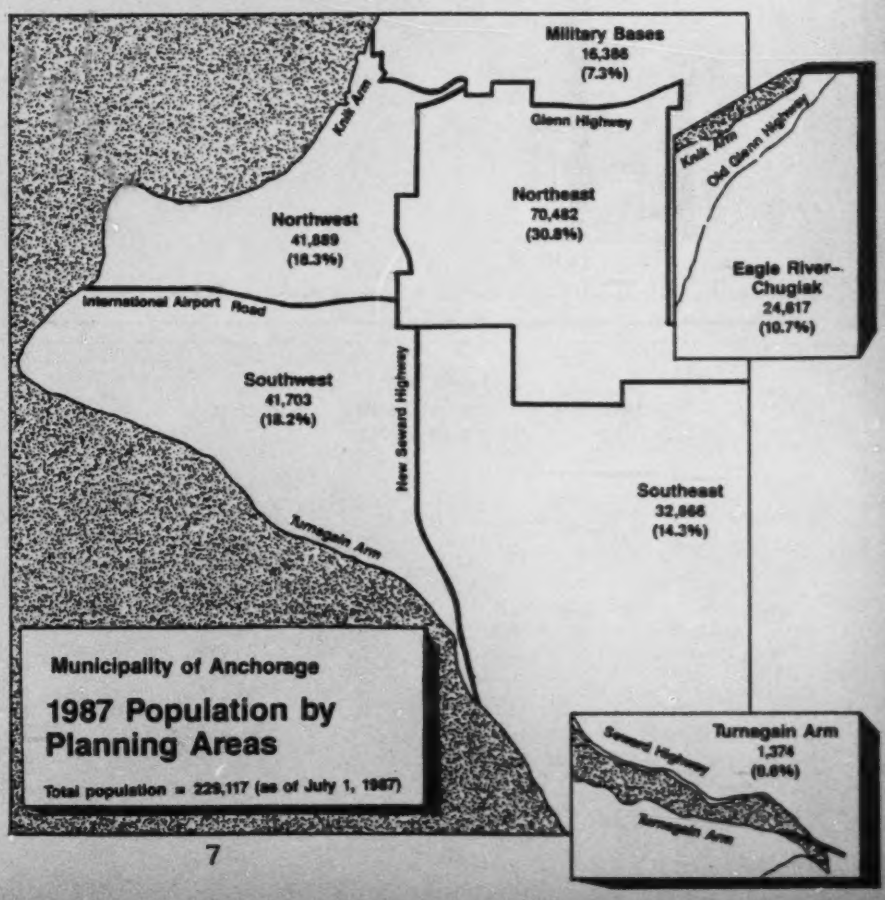


*Household population excludes military on-base households
Source: Municipality of Anchorage, Community Planning Department.

The recession had a lopsided effect on the young adult population, in particular, the young male population. For example, although young adults aged 20 to 34 represented 35% of Anchorage's population, they accounted for nearly 80% of the population losses between 1985 and 1987 (Figure 2). Two-thirds of the decline was male.

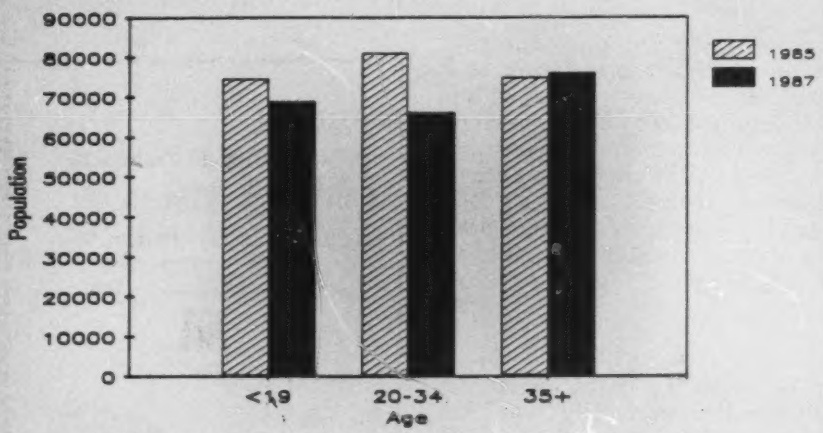
Labor Force Characteristics

Civilian labor force statistics are another indicator highlighting the recession's adverse impact on the male population. The number of males in the civilian labor force declined more than 13,000 compared to 2,600 for women. The majority of these males were in the 20 to 34 year old bracket. The proportion of males fell from slightly over 52% of the work force in 1985 to 50.3% in 1987. It is likely that the large decline in the male work force was due to the contraction in the construction and oil field services industries. While the labor force participation rate for men declined slightly, it increased for



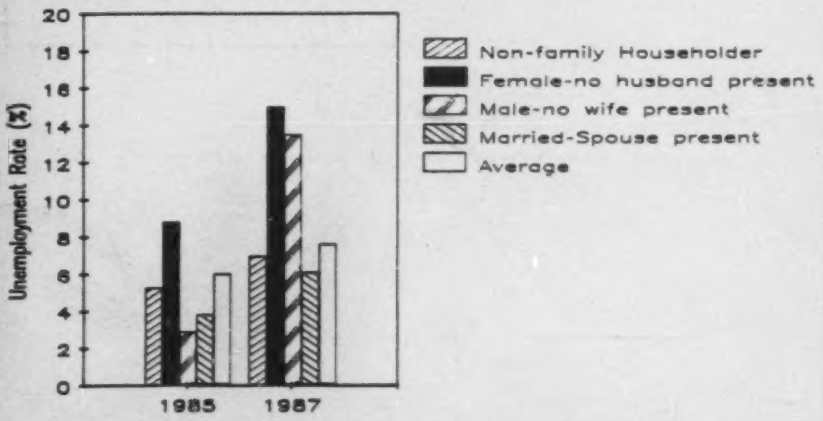
[1] In 1988 the name of the Department was changed from the Community Planning Department to the current Department of Economic Development and Planning. Also a special thanks to Mike Breedlove, the Municipal Demographer, for additional information and insights for this article.

Figure 2
Population Change by Age 1985-1987



Source: Anchorage Department of Economic Development and Planning

Figure 3
Unemployment Rate of Householders



Source: Municipality of Anchorage: Dept. of Economic Development and Planning

Table 1
Household Characteristics For Anchorage
1985 and 1987

	1985	1987	Percent Change
Total Households	81,663	77,527	-5.1
Family Households	58,119	55,831	-3.9
Single Parent w/children under 18	5,778	6,181	6.9
Married couple w/children under 18	26,347	25,065	-4.9
Family Household no children under 18	26,014	24,599	-5.4
Nonfamily Household	23,542	21,696	-7.8

Source: Municipality of Anchorage: Department of Economic Development and Planning; *1987 Anchorage Population Profile.*

women 25-64 years old. One explanation is that more women entered the labor force to help support the family.

Household Characteristics

Changing population characteristics caused by the recession have had an enormous impact on household characteristics as well. Table 1 shows nonfamily households (households with no family members living together) declined more than other household types. At the same time the number of single parents with children less than 18 years old at home increased, particularly the number of single mothers. The unemployment rates for heads of households increased across the board, but the single parents averaged the highest unemployment rate (Figure 3).

From 1985 to 1987 the number of households fell, while the number of housing units increased from 88,804 to 91,298. This left 13,771 housing units vacant, a vacancy rate of 15%. Vacancy rates varied by the type of housing unit (Table 2). Because young adults have a greater likelihood of living in a multi-unit housing complex than other adult groups, the loss of young adults and the high vacancy rates in multi-family units go hand-in-hand.

Geographic Differences

Within the Municipality there are unique neighborhoods and a number of ways to group them (by community council, census tract, zoning), but for simplicity this article uses DEDP's planning areas. These geographic areas are illustrated in Map 1.[2]

[2] The Department of Economic Development and Planning also collects data by community council and census tract levels.

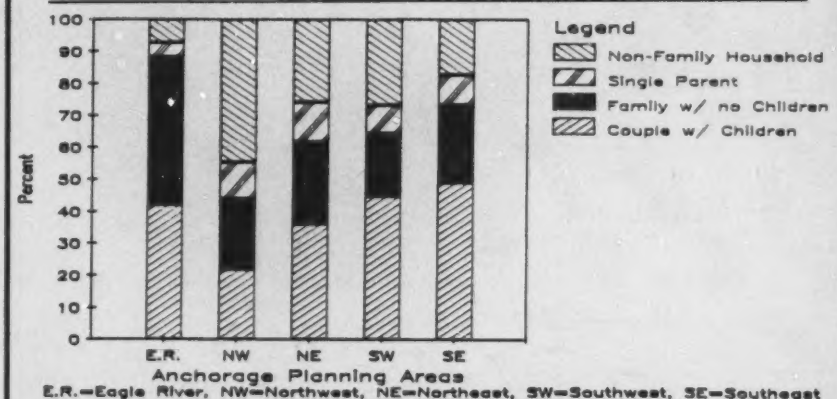
North Anchorage lost the most population due to the recession. Seventy-five percent of the 19,146 two-year population loss took place in north Anchorage. The northeast area declined by 7,500 and northwest by 6,887. The Eagle River-Chugiak area had the smallest population declines—2.8% compared to 14.1 for northeast Anchorage (Table 3).

The differences between population losses in the various areas are explained by their demographic and housing characteristics. Remember that nearly 80% of the population decline was among young adults 20 to 34 years old, a majority of which were male. In addition, population declines among nonfamily households were the most prominent among household types and multi-family housing units were the hardest hit among housing types.

North Anchorage had all the right demographic and housing characteristics for large population declines. For example, north Anchorage in 1985 had 59% of Anchorage's 20-34 year olds. From 1985 to 1987 10,580 of those 20-34 year olds left Anchorage—This was nearly three quarters of the 20-34 year olds leaving Anchorage between 1985 and 1987. North Anchorage also had the highest concentration of residents who had lived in Anchorage for 4 or less years. Furthermore, the north areas also had the highest proportion of non-family households (Figure 4) and multi-family housing (Figure 5).

Eagle-River Chugiak housing stock is 76% single family homes and the majority of this areas population are married couple families. These characteristics, combined with the close proximity to the military bases (many military families live off-base in the area) accounted for mild population declines.

Figure 4
Household Characteristics for Anchorage Planning Areas 1987



E.R.=Eagle River, NW=Northwest, NE=Northeast, SW=Southwest, SE=Southeast
Source: Anchorage Department of Economic Development and Planning

Figure 5
Housing Stock by Type for Selected Areas 1987

Source: Anchorage Department of Economic Development and Planning

The recession had a lopsided effect on the young adult population.

Table 2
Vacancy Rates for Anchorage
By Type of Housing Unit
1985 and 1987

	1985	1987
Single Family	4.3%	7.1%
2-4 units[1]	8.3	16.5
5 or more units[2]	14.4	26.0
Mobile homes	7.6	19.9
All structures	8.0	15.1

Source: Municipality of Anchorage; Department of Economic Development and Planning; *1987 Anchorage Population Profile.*

[1] Includes zero-lot lines, condominiums and apartments.

[2] Includes condominiums and apartments.

Table 3
Total Anchorage Population
By Planning Area
1985-1987

	1985	1987	Percent Change
Eagle River-Chugiak	25,067	24,617	-2.8
Anchorage Bowl	205,186	186,740	-9.0
Northwest Anchorage	48,776	41,889	-14.1
Northeast Anchorage	77,945	70,482	-9.6
Southwest Anchorage	45,044	41,703	-7.4
Southeast Anchorage	33,421	32,666	-2.3
Turnagain Arm	1,607	1,374	-14.4
Military Bases	16,403	16,386	-0.01
Total Anchorage	248,263	229,117	-7.7

Source: Municipality of Anchorage; Department of Economic Development and Planning; *1987 Anchorage Population Profile.*

Conclusion

In 1988 employment decreases moderated considerably, compared to the 1986-1987 period. Forecasts call for employment growth in late 1988 and 1989. Theory holds that population will follow suit. However, until there is a strong resurgence in construction activity, it is unlikely that young males will migrate to Anchorage in the numbers they did during the 80's construction boom. Anchorage's future demographic characteristics will be shaped by the events between 1985-1987.

The recession has caused the male to female population and labor force ratios to approach the closest to 50/50 in Anchorage's history. The newest and youngest Anchorage residents tended to be the group of residents to leave because of the lack of jobs. In turn, Anchorage's median age and the average length of residency increased. Experts believe these trends will continue.

Anchorage Consumer Price Index Base Period Converted

By John Boucher

Beginning with the release of Consumer Price Index (CPI) data for January of 1988, the Bureau of Labor Statistics has converted most Consumer Price Indexes, including the CPI for Anchorage, to a new reference base year. All indexes previously expressed on a base of 1967=100, or any other base through December of 1981, have been rebased to 1982-84=100. Only indexes with a base later than December 1981 have maintained their bases. The rebasing is a result of the U.S. Government's long-standing policy to update index bases periodically.

Selection of the 1982-84 period as the new reference base for the Consumer Price Index was designed to coincide with the updating of consumer expenditure weights, which were based upon Consumer Expenditure Surveys which took place in 1982, 1983 and 1984. The last time the Consumer Price Index was converted to a new base was in 1971 when the 1967 base was substituted for the 1957-59 base.

The rebasing of the Consumer Price Index is part of an ongoing five year program begun in 1984 by the Bureau of Labor Statistics to enhance the CPI. Beginning in January 1987, the CPI is now published for Anchorage on a semi-annual basis where before the Anchorage index was published every other month. The semi-annual average represents the arithmetic average of the six-month periods from January to June and July to December. The semi-annual averages are published with the release of the CPI for July and January.

Historical data for each CPI series published by the Bureau of Labor Statistics (BLS) on the new base are available through the Alaska Department of Labor, Research and Analysis or the BLS. As a convenience to users of the CPI the BLS will continue to publish the all-items indexes for the U.S. city average, and for the individual local areas for which CPI's are published on their former official reference bases. However the BLS is encouraging all users of the CPI, especially those with contractual agreements providing for escalation on the basis of the CPI, to incorporate the change in the reference base in new contracts or at the time of renegotiation.

Method of Conversion

The historical index series has been rebased to the new reference period by dividing each index value, on the original base, by the average index value for the 1982-84 period, on the original base and multiplying the result by 100. Conversion factors for the U.S. City average and Anchorage CPI's are shown in Table 1. Multiplication by the conversion factor converts an index on the old base to the 1982-84 base. An example of how to use the conversion factor is also shown in Table 1. Conversion factors for all local areas for which a CPI is published are available from the BLS.

Effects of the Conversion

Adoption of the new base period does not affect the measurement of percent changes in a given index series from one period to another, except for possible rounding differences. Index point changes are however usually effected. The example below illustrates the different effects of rebasing on index points and percent changes.

Table 1
Conversion Rate for the CPI, U.S. City and Anchorage, AK.

	Former Base	CPI-U Conversion Factor	CPI-W Conversion Factor
U.S. City Average	1967 = 100	0.3338279	0.3357175
Anchorage, AK.	Oct '67 = 100	0.3746257	0.3842254

Using the Conversion Factor:

Nov. 1986 CPI-U for Anchorage = 287.8

287.8 * 0.3746257 = 107.8 = Dec. 1986 CPI-U on the new base.

Division by the conversion factor will change an index on the 1982-84 base period into the former base.

Second Half 1987 Anchorage CPI-U = 108.1

108.1/ .3746257 = 288.5 = Second Half 1987 CPI-U on old base.

Base	Dec. 1985 Index	Dec. 1986 Index	Index Point Change	Index Percent Change
Oct 67 = 100	286.9	287.8	0.9	0.3
1982-84 = 100	107.5	107.8	0.3	0.3

Table 2
Consumer Price Indexes for All Urban Consumers
CPI-U
1982-84 = 100

Year	All Items	Ann Avg Percent Change	All Items Less Shelter	Ann Avg Percent Change	Apparel and Upkeep	Ann Avg Percent Change	Entertainment	Ann Avg Percent Change	Food and Beverage
1960	34.4								
1961	34.5	0.3							
1962	34.7	0.6							
1963	34.8	0.3							
1964	35.0	0.6							
1965	35.3	0.9							
1966	36.3	2.8							
1967	37.2	2.5							
1968	38.1	2.4							
1969	39.6	3.9							
1970	41.1	3.8							
1971	42.3	2.9			56.5				
1972	43.4	2.6			58.3	3.2			
1973	45.3	4.4			60.7	4.1			
1974	50.2	10.8			64.7	6.6			
1975	57.1	13.7			69.8	7.9			
1976	61.5	7.7	62.1		74.1	6.2	64.4		64.2
1977	65.6	6.7	66.6	7.2	79.2	6.9	69.4	7.8	68.9
1978	70.2	7.0	71.0	6.6	79.7	0.6	72.6	4.6	75.9
1979	77.6	10.5	77.0	8.5	81.7	2.5	74.5	2.6	84.0
1980	85.5	10.2	84.7	10.0	89.7	9.8	79.0	6.0	89.7
1981	92.4	8.1	92.0	8.6	94.1	4.9	85.9	8.7	94.3
1982	97.4	5.4	96.3	4.7	96.6	2.7	94.7	10.2	97.2
1983	99.2	1.8	99.9	3.7	101.6	5.2	100.6	6.2	99.7
1984	103.3	4.1	103.8	3.9	101.7	0.1	104.6	4.0	103.2
1985	105.8	2.4	107.5	3.6	105.8	4.0	108.9	4.1	106.2
1986	107.8	1.9	111.2	3.4	109.0	3.0	112.4	3.2	110.8
1987	108.2	0.4	115.1	3.5	116.6	7.0	116.4	3.6	113.1

Historical data for each CPI series published by the Bureau of Labor Statistics on the new base are available through the Alaska Department of Labor, Research and Analysis or the BLS.

Table 2
Consumer Price Indexes for All Urban Consumers (continued)
CPI-U
1982-84 = 100

Ann Avg Percent Change	Housing	Ann Avg Percent Change	Medical Care	Ann Avg Percent Change	Other Goods & Services	Ann Avg Percent Change	Transportation	Ann Avg Percent Change
			35.2				40.8	
			35.8	1.7			40.9	0.2
			37.3	4.2			41.4	1.2
			41.5	11.3			44.9	8.5
			46.9	13.0			49.3	9.8
	62.6		52.6	12.2	63.8		54.9	11.4
7.3	65.5	4.6	57.9	10.1	68.1	6.7	60.2	9.7
10.2	69.7	6.4	63.4	9.5	71.7	5.3	64.5	7.1
10.7	78.0	11.9	69.1	9.0	76.9	7.3	71.3	10.5
6.8	85.9	10.1	78.8	14.0	83.1	8.1	82.2	15.3
5.1	92.5	7.7	86.9	10.3	88.1	6.0	92.7	12.8
3.1	98.2	6.2	94.8	9.1	93.2	5.8	96.8	4.4
2.6	99.0	0.8	99.7	5.2	101.5	8.9	98.5	1.8
3.5	102.7	3.7	105.5	5.8	105.3	3.7	104.6	6.2
2.9	103.0	0.3	110.9	5.1	114.2	8.5	108.2	3.4
4.3	102.6	-0.4	127.8	15.2	123.2	7.9	107.8	-0.4
2.1	97.5	-5.0	137.0	7.2	132.2	7.3	111.3	3.2

Table 2 and Table 3 (page 14) contain annual average CPI's for Anchorage on the new base. Table 2 contains the All Items CPI-U (All Urban Consumers) for Anchorage and six component indexes. A special index, the All Items less Shelter, is also included. Table 3 contains the same group of indexes as Table 2, however, they are for the CPI-W (Urban Wage Earners and Clerical Workers). The CPI-U approximates the buying habits of 80% of the civilian noninstitutionalized population. The CPI-W approximates the buying habits of 40% of the civilian noninstitutionalized population. The CPI-U was first produced in 1978, previous to that only the CPI-W was available.

Table 3
Consumer Price Indexes for Urban Wage Earners and Clerical Workers
CPI-W
1982-84 = 100

Year	All Items	Ann Avg Percent Change	All Items Less Shelter	Ann Avg Percent Change	Apparel and Upkeep	Ann Avg Percent Change	Entertainment	Ann Avg Percent Change	Food and Beverage
1960	35.2								
1961	35.4	0.6							
1962	35.5	0.3							
1963	35.7	0.6							
1964	35.9	0.6							
1965	36.2	0.8							
1966	37.2	2.8							
1967	38.2	2.7							
1968	39.1	2.4							
1969	40.7	4.1							
1970	42.1	3.4							
1971	43.4	3.1			57.1				
1972	44.5	2.5			58.9	3.2			
1973	46.4	4.3			61.4	4.2			
1974	51.4	10.8			65.4	6.5			
1975	58.5	13.8			70.5	7.8			
1976	63.1	7.9	62.6		74.9	6.2	70.5		64.5
1977	67.2	6.5	67.3	7.5	80.0	6.8	76.0	7.8	69.3
1978	72.0	7.1	71.9	6.8	80.3	0.4	76.0	0.0	76.9
1979	79.0	9.7	78.2	8.8	81.6	1.6	77.0	1.3	86.1
1980	86.3	9.2	85.2	9.0	86.5	6.0	79.9	3.8	90.3
1981	92.9	7.6	92.2	8.2	92.6	7.1	86.2	7.9	94.2
1982	98.2	5.7	96.4	4.6	96.3	4.0	94.6	9.7	97.2
1983	98.9	0.7	99.8	3.5	101.6	5.5	100.5	6.2	99.7
1984	102.9	4.0	103.8	4.0	102.1	0.5	105.0	4.5	103.2
1985	105.8	2.8	107.3	3.4	105.5	3.3	108.7	3.5	106.2
1986	107.7	1.8	110.8	3.3	108.1	2.5	112.5	3.5	110.9
1987	107.9	0.2	114.4	3.2	115.9	7.2	118.1	5.0	113.2

Alaska's Employment Scene

By Brian N. Rae

April employment figures show typical seasonal growth patterns, with an increase of 4,000 in employment over-the-month. For several months total employment has been near that of last year. April's preliminary employment estimate is slightly below last April's. The mere fact, however, that another month has passed and showed normal seasonal growth strengthens arguments that the recession is behind us.

Certain sectors of the economy helped ameliorate the effects of the decline in oil prices. As noted in prior months, strength in the timber and fishing industries played a major role in stabilizing the economy over the past two years. Because of their current strength, there is little room for improvement in these industries without major changes in markets or legislation. Although these are possible, few are willing to bet on them. Other sectors' economic health paralleled world oil prices, with recent precipitous declines. Most of these industries have begun to recover. Their future depends on many factors, only a few of which have been decided. Overall, every indicator shows a strengthening and improving economy. The extent of these gains are dependent to a large degree on unresolved issues.

Table 3
Consumer Price Indexes for Urban Wage Earners and Clerical Workers (continued)
CPI-W
1982-84 = 100

Ann Avg Percent Change	Housing	Ann Avg Percent Change	Medical Care	Ann Avg Percent Change	Other Goods & Services	Ann Avg Percent Change	Transportation	Ann Avg Percent Change
			36.2				40.4	
			36.9	1.9			40.5	0.2
			38.4	4.1			41.0	1.2
			42.7	11.2			44.4	8.3
			49.3	15.5			48.8	9.9
	65.7		54.1	9.7	62.6		54.3	11.3
7.4	68.8	4.7	59.7	10.4	66.9	6.9	59.6	9.8
11.0	73.0	6.1	67.1	12.4	70.1	4.8	64.1	7.6
12.0	80.5	10.3	72.8	8.5	75.0	7.0	71.2	11.1
4.9	87.6	8.8	79.3	8.9	81.9	9.2	82.9	16.4
4.3	93.9	7.2	86.8	9.5	86.4	5.5	93.4	12.7
3.2	100.1	6.6	94.9	9.3	92.4	6.9	97.3	4.2
2.6	98.2	-1.9	99.8	5.2	101.9	10.3	98.4	1.1
3.5	101.6	3.5	105.3	5.5	105.7	3.7	104.3	6.0
2.9	103.4	1.8	110.5	4.9	114.1	7.9	107.6	3.2
4.4	103.1	-0.3	125.3	13.4	123.2	8.0	106.5	-1.0
2.1	97.8	-5.1	133.6	6.6	131.1	6.4	109.5	2.8

Issues — And Some Answers

Several unresolved issues could impact the state's economy. One item of critical importance to the Alaskan economy is the number of Alaskans employed. Increasing the number of jobs in an area generally increases the number of residents employed. This holds true in the Alaskan economy, but data shows that the ratios of jobs and unemployment benefits going to nonresidents is quite high in Alaska. In 1986, the state sent over 22% of regular unemployment benefit payments outside of Alaska. Nationally, 5.2% of these benefits are sent to states outside of the one paying the benefits.

One method to increase resident employment is to increase the ratio of resident to nonresident employees. Given a fixed number of jobs, increasing the ratio of resident to nonresident employees can have much the same effect as real employment increases to Alaskans. For several years, the state has tried to legislate resident hire for public projects. This legislative session, initiatives to amend the bidders' preference law and the state constitution to strengthen resident hire laws were not acted upon. A bill recently passed lets the Department of Labor release resident hiring records for certain firms. The state has also appealed a decision declaring a previous resident hire law unconstitutional. Over the next several years the cumulative effects of all these efforts is intended to improve the proportion of residents in Alaska's workforce.

Table 1
Nonagricultural Wage and Salary Employment
By Place of Work
Alaska

	p/ 4/88	r/ 3/88	4/87	Changes From: 3/88	4/87
Nonag. Wage & Salary	204,600	200,600	205,500	4,000	-900
Mining	9,000	8,600	8,300	400	700
Construction	8,300	7,500	9,200	800	-900
Manufacturing	12,900	12,000	11,700	900	1,200
Seafood Processing	6,700	6,000	5,700	700	1,000
Lumber & Paper Prod.	3,100	3,000	2,900	100	200
All Other Manufacturing	3,100	3,000	3,100	100	0
Transportation	16,900	16,800	16,700	100	200
Trucking & Warehousing	2,400	2,400	2,200	0	200
Water Transportation	900	1,000	900	-100	0
Air Transportation	5,200	5,100	5,000	100	200
All Other Transportation	8,400	8,300	8,600	100	-200
Trade	39,500	38,600	39,200	900	300
Wholesale	7,200	7,100	7,200	100	0
Retail	32,300	31,500	32,000	800	300
Gen.Mer.& Apparel	4,600	4,500	4,400	100	200
Food Stores	5,800	5,700	5,600	100	200
Eating & Drinking Pl.	11,600	11,100	11,800	500	-200
All Other Retail	10,300	10,200	10,200	100	100
Finance-Ins. & R.E.	10,600	10,600	11,300	0	-700
Services	40,300	39,700	41,600	600	-1,300
Government	67,100	66,800	67,500	300	-400
Federal	17,300	17,300	17,600	0	-300
State	19,800	19,500	19,500	300	300
Local	30,000	30,000	30,400	0	-400

Prepared in cooperation with the U.S. Bureau of Labor Statistics. Government includes teachers in primary and secondary schools, and personnel employed by the University of Alaska.

Benchmark Date March 1987.

p/ Denotes Preliminary Estimates.
r/ Denotes Revised Estimates.

In other legislative action, this time at the federal level, funding for the construction of backscatter radar facilities in Alaska has been delayed. Technical and environmental concerns prompted the delay, and the project will almost certainly begin by 1990. This project would have offered a boost to the construction industry, one of the sectors hardest hit in the recession.

Other scheduled projects will provide some relief to the ailing construction industry. The Bradley Lake hydro project is progressing. Because of a judicial stay, the latest resident hire guidelines will be in effect during the initial stages of this project. In addition, the contract allows for incentives of up to $1 million for subcontracting firms owned by minorities or women. ENSERCH Alaska submitted the low bid at $91 million, some $8 million below the next bidder. If the bid meets state guidelines, the contract could be awarded in June. This project should provide needed jobs to Kenai Borough and other southcentral Alaska residents.

On the North Slope, Standard Alaska Petroleum Company will begin development of the Niakuk oil field. A small field, Niakuk contains only one seventy-fifth the reserves of Prudhoe Bay. In spite of limited reserves, the project will add $14 million to the North Slope Borough's tax base and create 200 construction jobs through 1990. After production begins, 35 positions will be needed.

Other potential boosts include the home porting of U.S. Navy vessels, the Mat-Su plywood plant, and benefits of the Governor's science foundation. Noted economist Dr. Lester Thurow had high praise for the foundation, saying projects such as this attract investment from outside the state, create jobs and promote economic growth. Thurow advised the legislature against passing any bail out initiatives. He asserted that shoring up failed business ventures imposes high costs and little return on investment.

As of this writing, the fate of the new Anchorage court building is undecided. Uncertainty centers around the size of the facility, since its construction is almost assured. Construction of the currently planned facility will increase construction employment significantly. Even a scaled down version will give a significant boost to the industry.

A major "no-go" is the manufacturing of large oil field modules in Alaska. ARCO dampened the hopes of several firms, particularly VECO, when it announced that no large modules would be produced in the state. Citing extreme weather, less than ideal port location and facilities, and pay differentials, ARCO deemed large module construction in the state as too costly. The firm still sees as a potential the construction of smaller, truckable modules in the state. Production facilities would probably be located in Mat-Su or Fairbanks.

ARCO's announcement jeopardizes large scale expansion of Anchorage port facilities. Anchorage assembly members, seeing more pressing needs within the municipality, placed the port funds far down on their list of priorities.

Table 2

Nonagricultural Wage and Salary Employment By Place of Work

Anchorage

	p/ 4/88	r/ 3/88	4/87	Changes From: 3/88	Changes From: 4/87
Nonag. Wage & Salary	97,500	96,100	100,350	1,400	-2,850
Mining	3,500	3,400	3,300	100	200
Construction	4,250	3,900	4,850	350	-600
Manufacturing	2,150	1,900	2,200	250	-50
Transportation	8,850	8,750	9,000	100	-150
Trucking & Warehousing	1,350	1,350	1,450	0	-100
Water Transportation	250	250	300	0	-50
Air Transportation	3,050	3,000	3,050	50	0
All Other Transportation	4,200	4,150	4,200	50	0
Trade	22,600	22,250	22,600	350	0
Wholesale	5,250	5,100	5,450	150	-200
Retail	17,350	17,150	17,150	200	200
Gen.Merch. & Apparel	2,250	2,200	2,200	50	50
Food Stores	2,900	2,900	2,750	0	150
Eating & Drinking Pl.	6,700	6,600	6,700	100	0
All Other Retail	5,500	5,450	5,500	50	0
Finance-Ins. & R.E.	7,050	7,050	7,600	0	-550
Services	23,200	22,750	24,050	450	-850
Government	25,900	26,100	26,750	-200	-850
Federal	10,250	10,400	10,200	-150	50
State	7,000	7,000	7,000	0	0
Local	8,650	8,700	9,550	-50	-900

Fairbanks

	p/ 4/88	r/ 3/88	4/87	Changes From: 3/88	Changes From: 4/87
Nonag. Wage & Salary	24,700	24,100	25,000	600	-300
Mining	50	50	150	0	-100
Construction	1,250	1,150	1,250	100	0
Manufacturing	500	500	500	0	0
Transportation	2,000	2,000	2,050	0	-50
Trucking & Warehousing	350	350	350	0	0
Air Transportation	350	300	300	50	50
All Other Transportation	1,300	1,350	1,400	-50	-100
Trade	5,350	5,050	5,200	300	150
Wholesale	700	700	750	0	-50
Retail	4,650	4,350	4,450	300	200
Food Stores	750	750	700	0	50
All Other Retail	3,900	3,600	3,750	300	150
Finance-Ins. & R.E.	850	850	900	0	-50
Services	5,300	5,300	5,400	0	-100
Government	9,400	9,200	9,550	200	-150
Federal	2,750	2,650	2,850	100	-100
State	4,050	4,000	3,950	50	100
Local	2,600	2,550	2,750	50	-150

Anchorage-MatSu

	p/ 4/88	r/ 3/88	4/87	Changes From: 3/88	Changes From: 4/87
Nonag. Wage & Salary	103,500	102,200	106,750	1,300	-3,250
Mining	3,550	3,400	3,300	150	250
Construction	4,400	4,100	5,100	300	-700
Manufacturing	2,250	2,000	2,300	250	-50
Transportation	9,450	9,350	9,700	100	-250
Trade	24,100	23,700	24,150	400	-50
Finance-Ins. & R.E.	7,450	7,450	8,050	0	-600
Services	24,100	23,900	25,050	200	-950
Government	28,200	28,300	29,100	-100	-900

Interior

	p/ 4/88	r/ 3/88	4/87	Changes From: 3/88	Changes From: 4/87
Nonag. Wage & Salary	28,300	27,550	28,750	750	-450
Mining	200	150	250	50	-50
Construction	1,300	1,200	1,400	100	-100
Manufacturing	500	500	500	0	0
Transportation	2,250	2,250	2,400	0	-150
Trade	5,750	5,400	5,500	350	250
Finance-Ins. & R.E.	900	950	950	-50	-50
Services	5,650	5,600	5,900	50	-250
Government	11,750	11,500	11,850	250	-100

Gulf Coast

	p/ 4/88	r/ 3/88	4/87	Changes From: 3/88	Changes From: 4/87
Nonag. Wage & Salary	18,700	18,200	18,350	500	350
Mining	750	750	700	0	50
Construction	800	700	850	100	-50
Manufacturing	3,300	3,200	3,100	100	200
Seafood Processing	2,700	2,600	2,500	100	200
All Other Manufacturing	600	600	600	0	0
Transportation	1,200	1,250	1,250	-50	-50
Trade	3,400	3,250	3,350	150	50
Wholesale	400	400	500	0	-100
Retail	3,000	2,850	2,850	150	150
Finance-Ins. & R.E.	550	600	550	-50	0
Services	3,100	2,950	3,100	150	0
Government	5,600	5,500	5,450	100	150
Federal	500	500	500	0	0
State	1,600	1,550	1,550	50	50
Local	3,500	3,450	3,400	50	100

Southeast Alaska

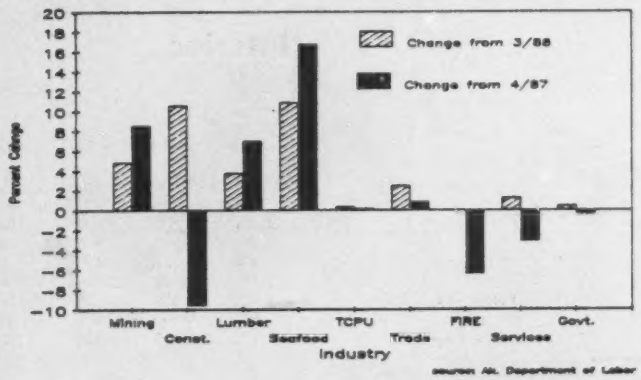
	p/ 4/88	r/ 3/88	4/87	Changes From: 3/88	Changes From: 4/87
Nonag. Wage & Salary	28,050	27,250	28,050	800	0
Construction	900	800	1,050	100	-150
Manufacturing	4,000	3,700	3,800	300	200
Seafood Processing	800	700	800	100	0
Lumber & Paper Prod.	3,000	2,800	2,800	200	200
All Other Manufacturing	200	200	200	0	0
Transportation	1,950	1,900	1,900	50	50
Trade	4,250	4,250	4,300	0	-50
Wholesale	400	400	400	0	0
Retail	3,850	3,850	3,900	0	-50
Finance-Ins. R.E.	1,100	1,050	1,050	50	50
Services	4,500	4,350	4,550	150	-50
Government	11,200	11,050	11,350	150	-150
Federal	1,800	1,750	1,900	50	-100
State	5,200	5,100	5,150	100	50
Local	4,200	4,200	4,300	0	-100

Employment Trends

The biggest news in Alaska's employment scene was a lower than usual unemployment rate (Table 4). For the first time since 1981, April unemployment dropped below 10%. April's rate of 9.9% represents just 24,000 persons unemployed. While above the national average of 5.8%, this is much better than last April when almost 31,000 persons were without a job. Over-the-year unemployment rates were lower in every economic region—only three census areas experienced higher unemployment rates over-the-year.

Over-the-month employment increases were mainly in the **trade, manufacturing** and **construction** industries (Table 1 and Figure 1). With the approaching tourism season, many retailers are increasing their work force and their hours. **Seafood processing** employment gains were the major factor in manufacturing employment increases. These gains were accompanied by a large decline in the number of hours worked in seafood processing (Table 3). Data show that many smaller processors, shut down during the winter, are again reopening. Large canneries, predominantly in Kodiak, have decreased their hours dramatically, and have laid off workers over-the-month. These concurrent events caused average hours to fall almost 15 hours per week in this industry.

Figure 1
Employment Change by Industry
Prior Month and Year Ago Change in Percent



The **construction** industry showed expected growth over-the-month, but even with 800 additional jobs since March, employment is still nearly 10% below last year's level. Figure 1 compares nine industries' employment changes, both over-the-month and over-the-year. Because monthly industry employment levels depend on so many factors, these comparisons do not necessarily reflect the overall health of the industry or project its performance in future months. For example, in the **seafood processing** industry, large employment gains over-the-year are primarily a result of a strong winter season. During the peak months, employment is expected to be much closer to year ago levels. Given these caveats, it is encouraging to note the number of industries that have experienced employment growth over-the-year.

Mining employment, weekly hours and earnings increased both over-the-month and over-the-year with several new projects underway. Adding to the impacts of Green's Creek, Red Dog, and the Bima in Nome is a renewed confidence in the oil market. OPEC has approached other oil producing nations, hoping to win their cooperation in shoring up world prices. Standard Alaska, after announcing two sharp price increases, lowered the price of North Slope crude during the first week of May. To add stability to the market, Standard Alaska plans to announce its contract price on the first of each month. The price will reflect the prior month's average spot market price.

The findings of exploration wells in ANWR are still confidential, which seems to fuel the desires of many to open the refuge to drilling. Congress has approved a measure giving Alaska 50% royalties, less than the 90% the state wanted. The state will, however, be able to export some of its royalty oil to other countries directly. At present, all oil must be shipped to, or exchanged for foreign oil being shipped to, the lower 48.

Employment in the **lumber and paper products** industry increased by 200

Table 3
Alaska Hours and Earnings for Selected Industries [1/2]

	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings		
	P/ 4/88	R/ 3/88	4/87	P/ 4/88	R/ 3/88	4/87	P/ 4/88	R/ 3/88	4/87
Mining	$1,240.03	$1,136.80	$1,156.76	50.8	49.0	48.4	$24.41	$23.20	$23.90
Construction	1,012.60	927.84	950.02	41.5	39.1	39.7	24.40	23.73	23.93
Manufacturing	450.18	503.53	541.08	35.7	43.9	43.6	12.61	11.47	12.41
Seafood Processing	265.98	363.17	366.08	31.0	46.8	44.0	8.58	7.76	8.32
Lumber & Paper Prod	629.00	656.92	670.77	42.5	42.3	43.5	14.80	15.53	15.42
Trans., Comm. & Util.	582.61	551.55	565.44	36.3	33.9	36.2	16.05	16.27	15.62
Trade	370.51	351.62	384.75	33.5	32.2	34.2	11.06	10.92	11.25
Wholesale	526.89	518.00	535.22	39.0	37.7	38.7	13.51	13.74	13.83
Retail	314.68	294.21	332.19	31.5	30.3	32.6	9.99	9.71	10.19
Finance-Ins. & R.E	394.05	380.56	389.99	35.5	33.5	34.3	11.10	11.36	11.37

Benchmark March 1987

[1] Prepared in cooperation with the Bureau of Labor Statistics US Department of Labor

[2] excludes eating and drinking establishments

AVERAGE HOURS AND EARNINGS SERIES: Averages are based on data for full and part time production workers (manufacturing) and nonsupervisory workers (nonmanufacturing) and are for gross earnings and hours paid, including overtime pay and hours.

over-the-year. Over-the-month employment increased by over 100. Average weekly hours increased only slightly, a good sign since March hours were unusually high because of a maintenance shutdown at the Ketchikan pulp mill. The industry outlook is quite good, with mill expansions now underway. Continued uncertainty over the future of the Tongass is one of the few negative aspects for the industry.

One of the industries hardest hit by the recession, **finance-insurance and real estate**, held employment levels steady over-the-month. This is the first time this year that this sector's employment has not fallen. At the same time, average weekly hours increased significantly.

Regional Trends

The **Southwest** region holds the dubious distinction as being the only region where unemployment increased over-the-month. This might not prove to be such bad news. According to area Job Service offices, increased unemployment in April is a precursor to increased employment. Many of the workers in these areas are seasonal, migrating into the area shortly before jobs are available, and increasing the unemployment rate. All census areas in Southwest show increased total employment and labor force over-the-month. Both seafood processing and government employment posted strong gains over-the-year in Southwest.

Gulf Coast unemployment rates were down over-the-month. The Kenai Peninsula borough's unemployment rate, though it dropped over 2%, is still at 14.8%. At the other extreme, Kodiak Island borough saw unemployment increase from 5.3% to 9.1%, mainly caused by reductions in seafood processing facilities. Those still employed were working significantly less hours than in March. These reductions come after extremely high employment over the past several months, so that the industry has still experienced an over-the-year gain. Both the trade and service sectors showed strong over-the-month growth to help compensate for these losses.

The **Anchorage/MatSu** region saw both its labor force decrease and its employment increase. Combined, the unemployment rate for the region fell to 8.7%. Total employment is still down over-the-year by over 3,000, with losses in every sector except mining.

Construction, services and government continue to fall below year ago

employment levels in **Southeast**. Construction's over-the-month movement was strong, primarily because of public funded construction and private sector projects like the Green's Creek mine. No sector showed monthly employment declines. Seafood processing continued to increase into early April, though many plants have reduced operations until the end of May when halibut will be in season. Southeast posted the lowest unemployment rate in the state at 8%, but also had the widest spread in unemployment rates for its census areas. The Sitka and Juneau boroughs had some of the lowest unemployment levels in the state, at 4.7% and 5.6%, respectively. The Skagway-Yakutat-Angoon census area had a 20.5% unemployment rate.

The **Interior** region shows most industries' employment down over-the-year. Trade is the only industry in the region to post an over-the-year employment gain, increasing 3.8% since April 1987. In number of jobs, services has been the biggest over-the-year loser. Coincidentally, it lost 3.8% and, having roughly the same employment as trade, the two industries have negated each other's relative movements. Over-the-month, government and trade added the greatest employment boost.

Conclusion

Over the past several months, employment levels have edged ever closer to those of a year ago. Employment figures for March are very close to those of a year ago. By most expectations, employment would equal the previous year's sometime between April and mid-summer. April employment figures were not as encouraging as March's, but two important points can be made form them when assessing the state's economic health.

April employment levels seem to point out that, during the first quarter of 1988, certain sectors of the economy experienced unseasonably high growth. These heated sectors were accompanied by recovery throughout the Alaska economy and were crucial in pushing employment close to year ago levels. April may mark the end of unseasonably high employment levels for certain industries. It may take longer for employment levels to reach those of a year ago than the past several months have indicated.

Current employment figures also make a positive point. Though wage and salary employment is still less than a year ago, so too is the unemployment rate. Not since 1981 has Alaska's unemployment rate been lower during April. Provisional population projections show the state going through a period of labor force decline. For those people remaining in the state, most indicators show them to be better off than they were last year. When employment figures equal those of a year ago, most residents of the state will be better off than they were the previous year.

Table 4
Labor Force By Region and Census Area

	Labor Force			Unemployment			Rate			Employment		
	P/ 4/88	R/ 3/88	4/87	P/ 4/88	R/ 3/88	4/87	P/ 4/88	R/ 3/88	4/87	P/ 4/88	R/ 3/88	4/87
Alaska Statewide	242,725	241,792	246,660	23,992	26,027	30,722	9.9	10.8	12.5	218,733	215,765	215,938
Anch.-MatSu Region	126,647	126,886	131,250	11,018	11,888	14,569	8.7	9.4	11.1	115,629	114,998	116,681
Anchorage Borough	112,467	112,121	115,571	8,671	9,147	11,304	7.7	8.2	9.8	103,796	102,974	104,267
MatSu Borough	14,180	14,765	15,679	2,347	2,741	3,265	16.6	18.6	20.8	11,833	12,024	12,414
Gulf Coast Region	26,431	26,213	26,000	3,515	3,805	4,210	13.3	14.5	16.2	22,916	22,408	21,790
Kenai Peninsula Bor	16,797	16,868	16,911	2,484	2,873	3,302	14.8	17.0	19.5	14,313	13,995	13,609
Kodiak Island Bor	5,804	5,445	5,361	528	286	344	9.1	5.3	6.4	5,276	5,159	5,017
Valdez-Cordova	3,830	3,900	3,728	503	646	564	13.1	16.6	15.1	3,327	3,254	3,164
Interior Region	36,304	35,927	37,336	4,902	5,165	6,306	13.5	14.4	16.9	31,402	30,762	31,030
Fairbanks North Star Br	31,049	30,683	31,944	3,918	4,104	5,134	12.6	13.4	16.1	27,131	26,579	26,810
Southeast Fairbanks	2,183	2,201	2,231	351	407	421	16.1	18.5	18.9	1,832	1,794	1,810
Yukon-Koyukuk	3,072	3,043	3,161	633	654	751	20.6	21.5	23.8	2,439	2,389	2,410
Northern Region	8,229	8,152	8,009	813	817	983	9.9	10.0	12.3	7,416	7,335	7,026
Nome	3,216	3,167	3,126	394	376	452	12.3	11.9	14.5	2,822	2,791	2,674
North Slope Borough	2,863	2,845	2,745	133	145	159	4.6	5.1	5.8	2,730	2,700	2,586
Northwest Arctic Bor	2,150	2,140	2,138	286	296	372	13.3	13.8	17.4	1,864	1,844	1,766
Southeast Region	32,805	32,819	32,752	2,617	3,323	3,417	8.0	10.1	10.4	30,188	29,496	29,335
Haines Borough	848	849	850	87	105	110	10.3	12.4	12.9	761	744	740
Juneau Borough	14,263	14,051	14,206	802	900	1,127	5.6	6.4	7.9	13,461	13,151	13,079
Ketchikan Gateway Br	6,489	6,451	6,529	524	623	732	8.1	9.7	11.2	5,965	5,828	5,797
Pr. of Wales-Outer Ktch	2,526	2,523	2,501	363	409	399	14.4	16.2	16.0	2,163	2,114	2,102
Sitka Borough	3,800	3,880	3,864	180	343	346	4.7	8.8	9.0	3,620	3,537	3,518
Skagway-Yakutat-Angn	1,681	1,751	1,553	345	445	254	20.5	25.4	16.4	1,336	1,306	1,299
Wrangell-Petersburg	3,198	3,314	3,249	316	498	449	9.9	15.0	13.8	2,882	2,816	2,800
Southwest Region	12,309	11,795	11,313	1,127	1,029	1,237	9.2	8.7	10.9	11,182	10,766	10,076
Aleutian Islands	3,343	3,234	3,041	123	134	139	3.7	4.1	4.6	3,220	3,100	2,902
Bethel	4,773	4,551	4,404	483	421	538	10.1	9.3	12.2	4,290	4,130	3,866
Bristol Bay Borough	445	426	397	57	52	47	12.8	12.2	11.8	388	374	350
Dillingham	2,190	2,106	2,056	192	182	256	8.8	8.6	12.5	1,998	1,924	1,800
Wade Hampton	1,558	1,478	1,415	272	240	257	17.5	16.2	18.2	1,286	1,238	1,158

P/ Preliminary R/ Revised 1986 Benchmark

Federal guidelines require the use of unrounded labor force data, adjusted to be consistent with the Current Population Survey (CPS) in formulas used to allocate federal funds. Comparisons between different time periods are not as meaningful as other time series published by the Alaska Department of Labor; because Alaska's CPS sample size is inadequate to accurately indicate monthly changes in level. The sampling errors are random in nature; meaning that the unemployment rates, in any given month, are as likely to be high as frequently as they are low. The official definitions of unemployment, currently in place, exclude anyone who has made no attempt to find work in the four week period up to and including the week that includes the twelfth of each month. Most economists feel that Alaska's rural localities have proportionately more of these discouraged workers.

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